
**Rules of
Department of Revenue
Division 40—State Lottery
Chapter 60—Payment of Prizes**

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**Title 12—DEPARTMENT OF
REVENUE**

**Division 40—State Lottery
Chapter 60—Payment of Prizes**

**12 CSR 40-60.010 Prizes Other than Cash
or its Equivalent Authorized**

PURPOSE: The purpose of this rule is to authorize the awarding of prizes other than cash or its equivalent such as cars, trips and other merchandise.

(1) The Missouri Lottery may award any of the following prizes: cash or its equivalent, when such goods are made in the state of Missouri.

(2) For purposes of this rule the term “goods made in the state of Missouri” is defined as a good, product or service where no less than the final stages of production occur in Missouri and which is purchased from a retail supplier incorporated and officed in Missouri.

*AUTHORITY: section 313.220 and 313.270.1., RSMo (1994). * Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed Aug. 11, 1995, effective April 30, 1996.*

**Original authority: 313.220, RSMo (1985), amended 1988, 1993, 1995 and 313.270, RSMo (1985), amended 1988.*

12 CSR 40-60.020 Cash Prizes

PURPOSE: The purpose of this rule is to authorize the payment of cash or its equivalent by cash, check, annuity or other investment vehicle.

(1) The director shall have the authority to designate in 12 CSR 40-85, any game prize to be paid in periodic payments as set forth in this rule. Any prize not designated to be paid in periodic payments will be paid in a lump sum.

(2) Lump sum payments may be paid out as follows:

(A) Checks drawn upon the state treasury; or

(B) Cash payments by retailers up to a maximum of five hundred ninety-nine dollars (\$599) per prize.

(3) Periodic payments shall be made as follows:

(A) The director shall designate the payment of a periodic prize over a total payment period of not more than twenty (20) years;

(B) The director shall designate the length of periodic payment period;

(C) The first payment shall be in the first periodic payment period in which the prize is won; thereafter, there shall be one (1) payment per periodic payment period; and

(D) The director shall purchase annuities from annuity sellers to provide periodic prize payments under this section. Annuity sellers shall meet the requirements of 12 CSR 40-60.040. Annuities shall be created only for specified prize winners or beneficiaries. Funds held by an annuity seller under this section are the property of the prize winner or beneficiary and shall not be considered state funds.

AUTHORITY: sections 313.220 and 313.230(2), RSMo (1986). Original rule filed Jan. 10, 1986, effective Jan. 20, 1986. Amended: Filed Jan. 23, 1986, effective Feb. 1, 1986. Amended: Filed April 27, 1987, effective July 11, 1987.

**12 CSR 40-60.030 Manner of Claiming
Prizes from the Missouri Lottery**

PURPOSE: The purpose of this rule is to require claiming of prizes from the commission by the filing of forms designated by the director.

(1) The claiming of any prize from the Missouri Lottery, as opposed to retail licensees, shall be on claim forms designated by the director for this purpose.

(2) The forms so designated shall request the information as may be necessary to validate the prize claimed and assure the authenticity of the winning ticket or share. The director may require the surrender of the ticket for some or all prizes claimed under this rule.

(3) The director shall place detailed rules for claiming prizes in brochures to be made generally available to the public and so much as may be practicable on the reverse side of instant game tickets.

AUTHORITY: section 313.220, RSMo (1986). Original rule filed Jan. 10, 1986, effective Jan. 20, 1986.

**12 CSR 40-60.040 Requirements for
Annuity Sellers**

PURPOSE: The purpose of this rule is to set out the requirements for annuity sellers and trustees who may bid to provide periodic prize payments to lottery winners.

(1) To be eligible to contract with the director to provide periodic payments of a prize to a lottery winner through an annuity, the annuity company must meet the following requirements:

(A) A policyholder or general rating of A+ as rated by A.M. Best;

(B) A financial size rating of VIII or higher as rated by A.M. Best;

(C) A portfolio quality rating of Excellent as rated by A.M. Best;

(D) A minimum of seventy-five percent (75%) of the annuity company's gross revenues must be derived from the business of providing life, health and related products (not from the property and casualty business); and

(E) The company must be headquartered in the United States.

(F) The company must possess a current certificate of authority from the director of the Division of Insurance to transact the business of insurance which authorizes the company to issue annuities.

AUTHORITY: section 313.230(2), RSMo (1986). Original rule filed Jan. 23, 1986, effective Feb. 1, 1986. Amended: Filed March 17, 1987, effective June 11, 1987.

**12 CSR 40-60.050 Requirements for
Companies Providing Insurance for
Annuity Contracts**

PURPOSE: The purpose of this rule is to set out the requirements for the annuity contracts making periodic prize payments to major Missouri Lottery prize winners.

(1) To be eligible to contract with the executive director to provide insurance on periodic payments of prizes made to the Missouri Lottery prize winner, the company must meet the following requirements:

(A) Have a policyholder or general rating of A+ as rated by the A.M. Best Company or a AAA claims paying ability rating from the Standard and Poor's Company;

(B) Have a financial size rating of X or higher from the A.M. Best Company;



(C) Has not been awarded any contracts providing annuities to prize winners of the Missouri Lottery; and

(D) Must be headquartered in the United States.

(E) The company must possess a current certificate of authority from the director of the Division of Insurance to transact the business of insurance which authorizes the company to become surety on bonds or obligations of persons or corporations.

AUTHORITY: section 313.230(1)(l), RSMo (1994). Original rule filed March 17, 1987, effective June 11, 1987.